



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, APRIL 8, 2011 MEETING MINUTES

MEMBERS PRESENT:

Dennis Yates, Vice Chair, AQMD Governing Board, LGSBA Chairman
Greg Adams, L.A. County Sanitation District
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California/All Metals
Sergio Carrillo, South Bay Yellow Cab and United Checker Cab
Daniel Cunningham, Metal Finishing Association of Southern California
Lucy Dunn, Orange County Business Council
Jacob Haik, Office of School Board Member Richard Vladovic
Maria Elena Kennedy, Kennedy Communications
Rita Loof, RadTech International
Steve Mugg, South Orange County Representative, City of Mission Viejo

MEMBERS ABSENT:

Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman
Felipe Aguirre, Vice Mayor, City of Maywood
Luis Ayala, City of Alhambra
Todd Campbell, Clean Energy
Samuel Garrison, Los Angeles Area Chamber of Commerce
Angelo Logan, East Yard Communities for Environmental Justice
Mary Ann Lutz, City of Monrovia
Kelly Moulton, Paralegal

OTHERS PRESENT:

Earl Elrod, Board Member Assistant (*Yates*)
Kris Flaig, City of Los Angeles
Vlad Kogan, Orange County Sanitation District
Nicole Nishimura, Board Member Assistant (*Lyou*)

AQMD STAFF:

Barbara Baird, General Counsel
Nancy Cole, Financial Analyst
Stacy Ebiner, Senior AQ Engineer
Anupom Ganguli, Asst. Deputy Executive Officer/Public Advisor
John Kampa, Financial Analyst
Aaron Katzenstein, Program Supervisor
Lori Langrell, Secretary
Mary Leonard, Financial Analyst

Sue Lieu, Program Supervisor
Fred Minassian, Planning & Rules Manager
Lisa Mirasola, Program Supervisor
Matt Miyasato, Asst. Deputy Executive Officer
Michael O'Kelly, Chief Financial Officer
John Olvera, Principal Deputy District Counsel
Robert Pease, Program Supervisor
Donna Peterson, Financial Services Manager
Ed Pupka, Senior Enforcement Manager
Dipankar Sarkar, Planning & Rules Manager
Jeanette Short, Senior Administrative Secretary
Laki Tisopulos, Asst. Deputy Executive Officer
Greg Ushijima, Air Quality Engineer II
Jill Whynot, Director of Strategic Initiatives

Agenda Item #1 - Call to Order/Opening Remarks

Chair Dennis Yates called the meeting to order at 11:05 a.m.

Agenda Item #2 – Approval of March 11, 2011 Meeting Minutes/Review of Follow-Up/Action Items

Chair Yates called for approval of the meeting minutes. The March 11, 2011 meeting minutes were approved.

***Action Item:** Provide pictures of an aethalometer to Committee Members.*

✓ Three different pictures of aethalometers provided to Committee Members.

***Action Item:** Agendize a presentation regarding current incentive programs at the District.*

✓ Completed - on agenda today.

Mr. Paul Avila asked if the aethalometers detected radiation. Mr. Laki Tisopulos replied yes. He added that the AQMD is monitoring the radiation levels for the region and the data is available on our website.

Ms. Rita Loof requested an update on the 9th Circuit Court decision.

***Action Item:** Provide an update on the 9th Circuit Court decision.*

Agenda Item #3 – FY 2011-12 Draft Budget and Work Program and Automatic Fee Adjustment

Ms. Nancy Cole, Mr. Robert Pease and Ms. Sue Lieu provided a joint presentation on the fiscal year 2011-12 draft budget and work program and automatic fee adjustment.

Mr. Greg Adams asked if the Governor's Emergency Bill applied to all agencies. Chair Yates stated that the Governor's Emergency Bill relates to retirement benefits for all cities, counties, and special districts. He added that if the Emergency Bill passes it will be effective July 1, 2011 and will be a plus for the AQMD budget situation.

Mr. Steve Mugg asked if the AQMD has a level of reserves that they must maintain. Chair Yates replied that the AQMD keeps 15 % in reserve, which is not mandatory.

Chair Yates asked about recent legislation passed in the Sacramento regarding raising taxes or fees. Mr. Pease replied that Proposition 26 was passed, but prior to the approval of Prop 26, the AQMD Governing Board approved Rule 320 that has provisions to automatically adjust fees by the Consumer Price Index (CPI).

Mr. Avila asked what happens when a company check to AQMD ‘bounces’ and if it happens often. Ms. Donna Peterson replied that the AQMD charges a \$25 check return fee due to bank charges and sees a handful of returned checks a week. Mr. Avila further asked about returned checks for permit renewal fees. Ms. Peterson replied that our system would allow such a permit to expire.

Ms. Lucy Dunn asked if Prop 26 allows for any exemptions for automatic CPI adjustments for fee increases. Ms. Barbara Baird stated that this rule would not be covered by Prop 26 because it was adopted prior to the effective date of Prop 26. She added that there was no retroactivity for fees imposed prior to the effective date of Prop 26.

Ms. Loof asked how Prop 26 would affect upcoming fee rules that the District plans to adopt. Ms. Baird replied if the AQMD were to amend Rule 314, then that amendment would be subject to Prop 26. She added that Rule 320 included a CPI adjustment for most fees in Reg. III.

Ms. Dunn asked if the AQMD is considered a local government or state agency. Ms. Baird replied that the AQMD is not considered a state agency for most purposes.

Mr. Avila asked what percentage of revenue comes from permits. Ms. Peterson replied that about two-thirds of revenue are from stationary sources, which includes the permit application fees, annual permit renewal fees and the annual emission fees.

Agenda Item #4 – AQMD Funding & Incentive Programs for the Business Community

Dr. Ganguli provided an overview of the District’s funding programs.

Ms. Maria Elena Kennedy asked if grants given in EJ areas are to businesses that are owned by people from EJ areas. Dr. Ganguli replied that the grants are given to businesses located in such areas.

Ms. Dunn asked of all the drycleaner grants since inception, if the AQMD kept track of how many are still in business. Dr. Ganguli responded that staff will look into this issue.

Mr. Adams asked if federal DERA earmark funds were negotiated every year. Dr. Ganguli replied that they are negotiated every year, but this year they are proposed to be zeroed out in Congress.

Mr. Avila asked if we had any additional leverage to get such funds since the District has been participating in that program for a long time. Dr. Ganguli replied that the previous earmarks were championed by Senator Feinstein – but, the competitive portion is still available to the best of our knowledge.

Mr. Adams inquired if Carl Moyer funding guidelines were going to change, in order to use funds for infrastructure such as CNG fueling stations. Mr. Fred Minassian responded that CARB is changing their guidelines at their April 28th Board Meeting. He added that currently, Carl Moyer funds can only be used for mobile source infrastructure; however the guidelines allow us to use our own funds as our local match for infrastructure projects to count towards our required match. Dr. Ganguli and Chair Yates added that AB 2766 and MSRC funding can also be used.

Mr. Sergio Carrillo asked whether Prop 1B funding is in danger because of the budget. Mr. Minassian responded that we had some delays the first year; and bonds for the second and third year are already sold, but bonds for the fourth year are not sold yet.

Mr. Avila asked whether the MTA or RTD receive their own Carl Moyer program funds or do they work with AQMD. Dr. Ganguli responded that they do not get direct funding and they have to go through AQMD because the funding is distributed through the air districts.

Ms. Loof asked if there was anything similar to the dry cleaning grant program for other types of small businesses or stationary sources. Dr. Ganguli stated that there are currently only the Healthy Hearths program and the Dry Cleaning grant program. Ms. Loof wanted the Committee to discuss ways to enhance and expand incentives to the small business community that is regulated by AQMD. Chair Yates explained that the majority of our pollution comes from mobile sources, where EPA and CARB have the majority of authority. Dr. Ganguli added that the funding for mobile source incentive programs comes from the state, not from industry sources and there is no similar program for stationary sources, in general. Chair Yates also stated that there is not a lot of funding coming out of the federal and state governments to incentivize stationary source emission reductions. Ms. Loof clarified that her intent was for any other thoughts the District staff can bring to the table for stationary source incentives or marketing for companies that go above and beyond compliance requirements.

Public Comment: Mr. Vlad Kogan asked if a private business can apply for funds. Chair Yates affirmed this. Dr. Ganguli stated that except for AB 2766 funds that go to local government, the Carl Moyer and other monies are available to private and public entities, in general.

Agenda Item #5 – Update on Urban Tree Planting & Forests

Mr. Aaron Katzenstein gave an update on the Tree Planting Partnership with local governments, and the reforestation project in the Angeles National Forest.

Mr. Avila asked where the trees come from. Mr. Katzenstein replied that the trees come from local nurseries.

Mr. Adams asked about biogenic VOC's. Mr. Katzenstein responded that there are only three types of VOC's that were looked at because there is very little research on it. He added that one with most concern is Isoprene, which is emitted during photosynthesis during the daytime and is the most reactive VOC. He further added that on a worldwide basis, isoprene has the highest emission rate, but has only a two-hour lifetime.

Chair Yates asked if we did any follow-up on maintenance of the trees. Mr. Katzenstein replied that there is a two-year contract and requires quarterly updates. He added that at the end of the contract, the mortality rate of the trees is documented to understand the effects.

Ms. Loof asked what the VOC emission rate was in the studies for the trees that were planted.

***Action Item:** Staff to forward tree VOC emission rate information to Ms. Rita Loof*

Mr. Geoffrey Blake inquired how many years would you have to wait to see a nice forest again. Mr. Katzenstein stated that the period was about fifteen years for a decent size tree.

Mr. Adams stated that a younger tree is a better absorber of CO₂ on a green mass basis than an older tree and asked why. Mr. Katzenstein replied that is the time the tree is growing. He added that once the tree reaches its mature age there is very little growth.

***Action Item:** Staff to forward tree growth chart of the first 50 years to Mr. Greg Adams*

Mr. Avila asked if a percentage of a tree gets torched, if it has the same growth factor as one that is growing. Mr. Katzenstein replied it depends on how badly it is burned.

Agenda Item #6 – Status of Fuel Cell Vehicle Commercialization

Mr. Dipankar Sarkar provided a status update on fuel cell vehicle commercialization and current efforts by the federal and state governments, industry and the AQMD.

Chair Yates stated that the California Weights and Measures does not know how to measure the fuel going into a vehicle and how much to charge. Mr. Sarkar responded that they are currently developing the metering accuracy.

Mr. Geoffrey Blake asked how many miles you get per kilogram of Hydrogen. Mr. Sarkar replied about forty or fifty miles.

Mr. Steve Mugg asked if the AQMD is monitoring the development of the Bloom Energies fuel cell in the Bay Area. Mr. Sarkar responded that we had a teleconference with Bloom and we are interested in working with them to deploy their fuel cells in the South Coast Basin.

Ms. Kennedy asked if there were any hidden cost to the fuel cell car. Mr. Miyasato stated that there is a concern about the high cost of these advanced batteries but want to encourage consumers to look at the overall cost savings of gas.

Mr. Avila asked if there has been a measurement or an analysis of the cost for the infrastructure per vehicle. Mr. Sarkar gave an example of a 150 kilogram a day station, and a passage car will probably use 2 to 3 kilograms a day, so you can potentially fuel about 75 cars a day. He added that if the hydrogen is delivered, the estimates would be approximately two and half to three million dollars, and if the hydrogen is produced onsite, about five million dollars.

Ms. Dunn asked if we might see the internal combustion engine machinery used more in the future that are more efficient. Mr. Miyasato stated that the Board directed staff to address this issue by doing a clean and efficient vehicle outreach program. Mr. Sarkar stated that these near zero and zero emission technologies will be required in the near future to meet our air quality goals.

Agenda Item #7 – Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #8 - Other Business

Ms. Loof asked if staff have identified key trends of what the issues are in the small business community regarding permit assistance; what do they specifically need assistance with. Dr. Ganguli replied that gas stations, metal finishing shops and auto body shops are the main categories that come in for assistance. He added that it also depends on whether we have a targeted program to go into certain areas and look for businesses in need of assistance.

Agenda Item #9 - Public Comment

No comments.

Agenda Item #10 - Adjournment

The meeting adjourned at 12:58 p.m.